

**CITY OF MOUNTAIN VIEW
MEMORANDUM**

DATE: September 12, 2003

TO: City Council

FROM: Whitney McNair, Zoning Administrator
Lynnie Melena, Principal Planner (Acting)

SUBJECT: SEPTEMBER 16, 2003 STUDY SESSION—MAYFIELD MALL PRECISE
PLAN

This study session report is intended to provide the Council with the development history of the Mayfield Mall area, the current zoning standards contained in the Mayfield Mall Precise Plan, the site's relationship to the 2002 Housing Element review, the current status of the site and alternatives for modifications to the Precise Plan.

BACKGROUND

The Mayfield Mall site is an approximately 27-acre site, divided among seven parcels, four of which are owned or controlled by Hewlett-Packard (HP). The three others, including a small strip of land along Central Expressway owned by the City, are under ground leases that expire in 60 years. Part of the site (4.5 acres) is within the City of Palo Alto. All of the buildings are in Mountain View, and some of the parking is in Palo Alto. Two public roads cross all or part of the site—Mayfield Avenue and Nita Avenue. (See Attachment 1.)

Development History

In May 1966, the Mountain View City Council approved development of the Mayfield Mall Shopping Center, one of the first enclosed shopping malls in California. The shopping center consisted of one large two-story building housing a J. C. Penney department store and a connected larger two-story building occupied by a variety of retail and service shops. There was also a J. C. Penney auto repair facility on the west side of the site, which is now gone. A building on the east side of Mayfield Avenue housed an athletic club, a Greyhound and Peerless Stages bus terminal and a Wells Fargo branch bank. The total floor area was approximately 520,000 square feet. The General Plan designation was "Regional Commercial," and the zoning was "P" (Precise Plan). (See Attachment 2 for building locations.)

In the early 1980s, Hewlett-Packard took control of the site and undertook a major renovation, converting the shopping center buildings to an office/R&D development. To facilitate that change, the City Council adopted a new precise plan on August 9, 1983, and the General Plan was amended to designate the site as "Office, R&D/Light Industrial." The Precise Plan has not been amended since then.

In late 2001, HP announced that it would be vacating and selling the site, and by early 2003, the buildings were no longer in use. (See "Current Status" below.)

Existing Precise Plan

The Mayfield Mall Precise Plan allows offices, research and development, and light industrial uses "as generally allowed in the ML (Limited Industrial) District, but shall not include heavy manufacturing or operations that require use of toxic or explosive materials or objectionable processes...." The Precise Plan also allows accessory service and retail uses to serve the office/R&D uses and the adjoining neighborhood. The Precise Plan contains relatively few development standards.

The Precise Plan allows development on the site to be increased from the existing, approximately 520,000 square feet up to 650,000 square feet "if found to be clearly justified in the future, based upon demonstrated compatibility and acceptable intensity of the converted project in operation. The existing floor area ratio (FAR) is about 0.43. If expanded to the maximum allowed floor area, the FAR would be about 0.60. The Precise Plan notes that future expansion may require consideration of housing or other special mitigating circumstances. There are no specific standards or limits to building heights or locations, but there is a requirement that a minimum of 20 percent of the site must be landscaped and that there must be "appropriate screening of adjacent residential properties...."

2002 Housing Element

In 1990, and again in 2001-02, a portion of the site was considered for rezoning to housing as a part of the Housing Element update process. The portion considered for housing is the approximately five acres on the east side of Mayfield Avenue, where the separate brick building and a large parking lot are located. In 2001, the building was occupied by HP and a Wells Fargo automated teller machine. It is now vacant.

Under State housing element guidelines, the City is required to identify sufficient property zoned for residential to enable the City to meet its "fair share" of the regional

housing need. In 2001, the City reviewed all underdeveloped sites and other sites in the City that might be likely candidates for redevelopment to housing. The five-acre area was identified as one of several potential housing sites.

The Environmental Planning Commission originally proposed that this five-acre site be rezoned to R3-1, which would generate about 166 additional multiple-family housing units. However, there was strong neighborhood opposition, and the Commission reduced the proposed density to R3-1.5 (about 112 units). Higher-density, multiple-family zoning was recommended because of the site's proximity to transit (the San Antonio Caltrain Station) and because it has direct access to a major street so traffic circulation can be designed to avoid neighborhood impacts.

Many residents in the adjacent Monta Loma neighborhood remained strongly opposed to multiple-family housing, especially at higher densities, and the Commission and Council received numerous letters, e-mails and a petition signed by over 200 people. When the City Council considered the Draft Housing Element in December 2001, HP had just announced that it would be vacating the entire site. Considering neighborhood opposition to the higher-density zoning, as well as the potential for a more comprehensive redevelopment of the larger site, the Council decided to remove the site from the Housing Element list, deferring a decision on rezoning until HP had clarified its intent for future use of the site. In lieu of listing Mayfield Mall as a potential housing site, an alternative policy was added to the Housing Element: "Revise the Mayfield Mall Precise Plan to allow for housing and other uses if redevelopment is initiated by the property owner." Thus, housing is not mandated by the Housing Element but is specifically cited as one of the land uses that would be examined if review of the Precise Plan is triggered by a proposal to redevelop the site rather than just reoccupy the existing buildings.

PLANNING ISSUES

The 2002 Housing Element review identified a number of issues concerning potential redevelopment of the five-acre site that would also apply to a larger-scale redevelopment. An Initial Study conducted for this site found that there could be:

- Potential traffic impacts at the Central Expressway/Rengstorff Avenue intersection and possibly at San Antonio Road intersections.
- Noise impacts from Caltrain.

- Potential archaeological impacts (the Castro Mound, an Indian midden, was located in the vicinity, but the site has already been greatly disturbed, and it is unlikely any archaeological resource would be found in the area).

Other issues raised by the neighborhood included:

- Potential school impacts.
- Potential impacts on parks and open space.

Another unique issue is that a portion of the site is within Palo Alto, making it necessary to coordinate with Palo Alto on planning for the area. There is no precedent for this, so it is difficult to identify future issues. There has been strong opposition to development in adjacent areas of Palo Alto in the past year.

CURRENT STATUS

HP originally offered the site for sale in late 2002 and received several proposals for the site, only one of which was to reuse the existing buildings. The remainder of the proposals were reported to be from residential developers. Initially, HP chose to enter into an agreement with Stanford Medical Center to reuse the existing buildings for medical offices. Medical Center use of the buildings would have required a precise plan amendment since medical offices are not currently permitted. Stanford subsequently withdrew its proposal for the site because of the cost of upgrading the buildings for medical offices and the time needed for the precise plan amendments. HP then returned to the other developers who had submitted proposals and asked them to resubmit if they are still interested in the site. The proposals are due back this month. HP's preference is to sell the property to a developer who would reuse the existing buildings. However, the majority of interest is from residential developers.

While current market conditions favor housing development, the site has the potential to be commercial, office, housing or a combination, recognizing the significant size of the site.

ALTERNATIVES

There are two alternatives for proceeding with the zoning for this site.

City Initiates Amendments to Mayfield Mall Precise Plan

The first alternative is to have the City initiate amendments to the Mayfield Mall Precise Plan. This alternative would involve a major planning study with significant neighborhood participation and the assistance of urban design, site planning and environmental consultants. The City could study a full range of uses, including residential, commercial and office uses or a mix of uses. The scope and cost of the study will depend, to a large degree, on the amount of guidance the City Council provides at the outset.

The City Council could provide guidelines on:

- Which uses should be studied.
- Whether more emphasis should be placed on some uses than others.
- If residential is a component, what the density range should be (for example, single-family, small-lot single-family, a mix of unit types, densities similar to The Crossings or Whisman Station, etc.)

A full planning study leading to a revised Precise Plan with new development standards and complete redevelopment of the site would require staffing of approximately 1.0 to 1.25 FTE (full-time equivalents). The Planning Division work program for 2003-04 only included 0.75 FTE for this project based on the expectation of a Precise Plan amendment to allow medical offices in the existing buildings. Because of the size of the site, the extensive neighborhood involvement, the need to coordinate with Palo Alto and the need to fit this project into the overall department workload, the project is expected to take approximately 18 months to complete.

City staff would manage the project, but consultant assistance would be needed to develop alternative design concepts, provide environmental analysis and analyze fiscal impacts at a cost of about \$200,000 to \$250,000. This is about \$50,000 to \$100,000 more than the Downtown Precise Plan update because, unlike downtown, it would include an Environmental Impact Report (EIR). The City does not have the 0.25 to 0.50 additional staff needed to manage the project and would have to contract for outside assistance at an additional cost of about \$25,000 to \$50,000. It is possible that all of these costs could be recouped from a future developer. The exact scheduling of the

start of such a study would need to be evaluated in the context of current staffing levels and the priority of other projects.

Developer Initiates Amendments to the Precise Plan

The second alternative is that the Council wait for a developer to initiate a Precise Plan amendment. Under this alternative, the study would focus more on the development concept and uses proposed by the developer. The City would still have the ability to study any alternative that the Council desires. The applicant would have to go through the process of obtaining Council approval to work on the rezoning under the gate-keeper ordinance, and alternatives could be determined as a part of that process. The timing, staff allocation and the neighborhood involvement would be the same as under the first alternative. If the application were submitted in the near future, there would be the same staffing constraints. However, all the cost for consultants would be borne by the applicant. The Council and Environmental Planning Commission would still have the ultimate decision authority over the Precise Plan content.

CONCLUSION

If the City Council wishes to take formal action on initiating amendments to the Precise Plan and/or to indicate the types of uses that should be considered, this item can be scheduled for a regular City Council meeting.

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Attachments: 1. Parcel Map
2. Site Plan

cc: Mr. Dave Jensen, President
Monta Loma Neighborhood Association

Hewlett-Packard Company